

**Introduced by Senator Wieckowski**

February 9, 2015

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An act to amend Sections 7590.1, 7591.10, 7593.1, 7593.6, 7593.7, 7594.4, 7599.32, 7599.34, 7599.42, 7599.43, 7599.48, and 7599.61 of the Business and Professions Code, relating to alarm companies.

LEGISLATIVE COUNSEL'S DIGEST

SB 177, as introduced, Wieckowski. Alarm companies: limited liability companies.

The Alarm Company Act provides for the licensure, registration, and regulation of alarm company operators and alarm agents by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of the act a crime. The act authorizes the bureau, until January 1, 2016, to issue an alarm company operator license to a limited liability company.

This bill would extend the authorization of the bureau to issue an alarm company operator license to a limited liability company until January 1, 2022. Because a violation of the Alarm Company Act by a limited liability company would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 7590.1 of the Business and Professions Code, as amended by Section 2 of Chapter 291 of the Statutes of 2012, is amended to read:

7590.1. The following terms as used in this chapter have the meaning expressed in this article:

(a) “Person” means any individual, firm, company, association, organization, partnership, limited liability company, or corporation.

(b) “Department” means the Department of Consumer Affairs.

(c) “Director” means the Director of Consumer Affairs.

(d) “Bureau” means the Bureau of Security and Investigative Services.

(e) “Chief” means the Chief of the Bureau of Security and Investigative Services.

(f) “Employer” means a person who employs an individual for wages or salary, lists the individual on the employer’s payroll records, and withholds all legally required deductions and contributions.

(g) “Employee” means an individual who works for an employer, is listed on the employer’s payroll records, and is under the employer’s direction and control.

(h) “Employer-employee relationship” means an individual who works for another and where the individual’s name appears on the payroll records of the employer.

(i) “Licensee” means a business entity, whether an individual, partnership, limited liability company, or corporation licensed under this chapter.

(j) “Qualified manager” means an individual who is in active control, management, and direction of the licensee’s business, and who is in possession of a current and valid qualified manager’s certificate pursuant to this chapter.

(k) “Registrant” means any person registered or who has applied for registration under this chapter.

(l) “Branch office” means any location, other than the principal place of business of the licensee, which is licensed as set forth in Article 11 (commencing with Section 7599.20).

(m) “Branch office manager” means an individual designated by the qualified manager to manage the licensee’s branch office

1 and who has met the requirements as set forth in Article 11  
2 (commencing with Section 7599.20).

3 (n) “Alarm system” means an assembly of equipment and  
4 devices arranged to signal the presence of a hazard requiring urgent  
5 attention and to which police are expected to respond.

6 (o) “Alarm agent” means a person employed by an alarm  
7 company operator whose duties include selling on premises,  
8 altering, installing, maintaining, moving, repairing, replacing,  
9 servicing, responding, or monitoring an alarm system, or a person  
10 who manages or supervises a person employed by an alarm  
11 company to perform any of the duties described in this subdivision  
12 or any person in training for any of the duties described in this  
13 subdivision.

14 (p) “Deadly weapon” means and includes any instrument or  
15 weapon of the kind commonly known as a blackjack, slungshot,  
16 billy, sandclub, sandbag, metal knuckles; any dirk, dagger, pistol,  
17 revolver, or any other firearm; any knife having a blade longer  
18 than five inches; any razor with an unguarded blade; or any metal  
19 pipe or bar used or intended to be used as a club.

20 (q) “Firearms permit” means a permit issued by the bureau,  
21 pursuant to Article 6 (commencing with Section 7596), to a  
22 licensee, a qualified manager, or an alarm agent, to carry an  
23 exposed firearm while on duty.

24 (r) (1) “Advertisement” means:

25 (A) Any written or printed communication for the purpose of  
26 soliciting, describing, or promoting the licensed business of the  
27 licensee, including a brochure, letter, pamphlet, newspaper,  
28 periodical, publication, or other writing.

29 (B) A directory listing caused or permitted by the licensee which  
30 indicates his or her licensed activity.

31 (C) A radio, television, or similar airwave transmission which  
32 solicits or promotes the licensed business of the licensee.

33 (2) “Advertisement” does not include any of the following:

34 (A) Any printing or writing used on buildings, vehicles,  
35 uniforms, badges, or other property where the purpose of the  
36 printing or writing is identification.

37 (B) Any printing or writing on communications, memoranda,  
38 or any other writings used in the ordinary course of business where  
39 the sole purpose of the writing is other than the solicitation or  
40 promotion of business.

1 (C) Any printing or writing on novelty objects used in the  
2 promotion of the licensee's business where the printing of the  
3 information required by this chapter would be impractical due to  
4 the available area or surface.

5 (s) "Residential sales agreement" means and includes an  
6 agreement between an alarm company operator and an owner or  
7 tenant for the purchase of an alarm system to be utilized in the  
8 personal residence of the owner or tenant.

9 (t) "Firearm permit" means and includes "firearms permit,"  
10 "firearms qualification card," "firearms qualification," and  
11 "firearms qualification permit."

12 (u) This section shall remain in effect only until January 1, ~~2016~~,  
13 2022, and as of that date is repealed, unless a later enacted statute,  
14 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
15 that date.

16 SEC. 2. Section 7590.1 of the Business and Professions Code,  
17 as added by Section 3 of Chapter 291 of the Statutes of 2012, is  
18 amended to read:

19 7590.1. The following terms as used in this chapter have the  
20 meaning expressed in this article:

21 (a) "Person" means any individual, firm, company, association,  
22 organization, partnership, limited liability company, or corporation.

23 (b) "Department" means the Department of Consumer Affairs.

24 (c) "Director" means the Director of Consumer Affairs.

25 (d) "Bureau" means the Bureau of Security and Investigative  
26 Services.

27 (e) "Chief" means the Chief of the Bureau of Security and  
28 Investigative Services.

29 (f) "Employer" means a person who employs an individual for  
30 wages or salary, lists the individual on the employer's payroll  
31 records, and withholds all legally required deductions and  
32 contributions.

33 (g) "Employee" means an individual who works for an  
34 employer, is listed on the employer's payroll records, and is under  
35 the employer's direction and control.

36 (h) "Employer-employee relationship" means an individual who  
37 works for another and where the individual's name appears on the  
38 payroll records of the employer.

39 (i) "Licensee" means a business entity, whether an individual,  
40 partnership, or corporation licensed under this chapter.

1 (j) “Qualified manager” means an individual who is in active  
2 control, management, and direction of the licensee’s business, and  
3 who is in possession of a current and valid qualified manager’s  
4 certificate pursuant to this chapter.

5 (k) “Registrant” means any person registered or who has applied  
6 for registration under this chapter.

7 (l) “Branch office” means any location, other than the principal  
8 place of business of the licensee, which is licensed as set forth in  
9 Article 11 (commencing with Section 7599.20).

10 (m) “Branch office manager” means an individual designated  
11 by the qualified manager to manage the licensee’s branch office  
12 and who has met the requirements as set forth in Article 11  
13 (commencing with Section 7599.20).

14 (n) “Alarm system” means an assembly of equipment and  
15 devices arranged to signal the presence of a hazard requiring urgent  
16 attention and to which police are expected to respond.

17 (o) “Alarm agent” means a person employed by an alarm  
18 company operator whose duties include selling on premises,  
19 altering, installing, maintaining, moving, repairing, replacing,  
20 servicing, responding, or monitoring an alarm system, or a person  
21 who manages or supervises a person employed by an alarm  
22 company to perform any of the duties described in this subdivision  
23 or any person in training for any of the duties described in this  
24 subdivision.

25 (p) “Deadly weapon” means and includes any instrument or  
26 weapon of the kind commonly known as a blackjack, slungshot,  
27 billy, sandclub, sandbag, metal knuckles; any dirk, dagger, pistol,  
28 revolver, or any other firearm; any knife having a blade longer  
29 than five inches; any razor with an unguarded blade; or any metal  
30 pipe or bar used or intended to be used as a club.

31 (q) “Firearms permit” means a permit issued by the bureau,  
32 pursuant to Article 6 (commencing with Section 7596), to a  
33 licensee, a qualified manager, or an alarm agent, to carry an  
34 exposed firearm while on duty.

35 (r) (1) “Advertisement” means:

36 (A) Any written or printed communication for the purpose of  
37 soliciting, describing, or promoting the licensed business of the  
38 licensee, including a brochure, letter, pamphlet, newspaper,  
39 periodical, publication, or other writing.

1 (B) A directory listing caused or permitted by the licensee which  
2 indicates his or her licensed activity.

3 (C) A radio, television, or similar airwave transmission which  
4 solicits or promotes the licensed business of the licensee.

5 (2) "Advertisement" does not include any of the following:

6 (A) Any printing or writing used on buildings, vehicles,  
7 uniforms, badges, or other property where the purpose of the  
8 printing or writing is identification.

9 (B) Any printing or writing on communications, memoranda,  
10 or any other writings used in the ordinary course of business where  
11 the sole purpose of the writing is other than the solicitation or  
12 promotion of business.

13 (C) Any printing or writing on novelty objects used in the  
14 promotion of the licensee's business where the printing of the  
15 information required by this chapter would be impractical due to  
16 the available area or surface.

17 (s) "Residential sales agreement" means and includes an  
18 agreement between an alarm company operator and an owner or  
19 tenant for the purchase of an alarm system to be utilized in the  
20 personal residence of the owner or tenant.

21 (t) "Firearm permit" means and includes "firearms permit,"  
22 "firearms qualification card," "firearms qualification," and  
23 "firearms qualification permit."

24 (u) This section shall become operative on January 1, ~~2016~~.  
25 2022.

26 SEC. 3. Section 7591.10 of the Business and Professions Code,  
27 as amended by Section 4 of Chapter 291 of the Statutes of 2012,  
28 is amended to read:

29 7591.10. (a) The director may deny a license, certificate, or  
30 registration regulated by this chapter on the grounds that the  
31 applicant has done any of the following:

32 (1) Knowingly made a false statement of fact required to be  
33 revealed in the application for a license.

34 (2) Been convicted of a crime. A conviction within the meaning  
35 of this section means a plea or verdict of guilty or a conviction  
36 following a plea of nolo contendere. Any action which the bureau  
37 is permitted to take following the establishment of a conviction  
38 may be taken when the time for appeal has elapsed, or the judgment  
39 of conviction has been affirmed on appeal, or when an order  
40 granting probation is made suspending the imposition of sentence,

1 irrespective of a subsequent order under the provisions of Section  
2 1203.4 of the Penal Code.

3 (3) Done any act involving dishonesty, fraud, or deceit with the  
4 intent to substantially benefit himself, herself, or another, or to  
5 substantially injure another.

6 (4) Done any act which if done by a licensee would be grounds  
7 for suspension or revocation of a license.

8 (5) Done any act without a license for which a license is required  
9 under this chapter.

10 (6) Been refused a license under this chapter or had a license  
11 revoked.

12 (7) Been an officer, partner, managing member, or manager of  
13 any person who has been refused a license under this chapter or  
14 whose license has been suspended or revoked.

15 The bureau may deny a license, certificate, or registration  
16 pursuant to this section only if the crime or act is substantially  
17 related to the qualifications, functions, or duties of the license,  
18 certificate, or registration for which application has been made.

19 The denial of a license, certificate, or registration shall be in  
20 writing and shall describe the basis for the denial. The denial shall  
21 inform the applicant that if he or she desires a review by the  
22 disciplinary review committee the review shall be requested within  
23 30 days of the issuance of the denial. A review shall be held  
24 pursuant to the provisions of Section 7591.19.

25 (b) Notwithstanding any other provision of this chapter, no  
26 person shall be denied a license, certificate, or registration solely  
27 on the basis that he or she has been convicted of a felony, if he or  
28 she has obtained a certificate of rehabilitation pursuant to Chapter  
29 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the  
30 Penal Code, or solely on the basis that he or she has been convicted  
31 of a misdemeanor, if he or she has met all applicable requirements  
32 of the criteria of rehabilitation as provided in Section 7591.12.

33 (c) This section shall remain in effect only until January 1, ~~2016~~,  
34 2022, and as of that date is repealed, unless a later enacted statute,  
35 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
36 that date.

37 SEC. 4. Section 7591.10 of the Business and Professions Code,  
38 as added by Section 5 of Chapter 291 of the Statutes of 2012, is  
39 amended to read:

1     7591.10. (a) The director may deny a license, certificate, or  
2 registration regulated by this chapter on the grounds that the  
3 applicant has done any of the following:

4     (1) Knowingly made a false statement of fact required to be  
5 revealed in the application for a license.

6     (2) Been convicted of a crime. A conviction within the meaning  
7 of this section means a plea or verdict of guilty or a conviction  
8 following a plea of nolo contendere. Any action which the bureau  
9 is permitted to take following the establishment of a conviction  
10 may be taken when the time for appeal has elapsed, or the judgment  
11 of conviction has been affirmed on appeal, or when an order  
12 granting probation is made suspending the imposition of sentence,  
13 irrespective of a subsequent order under the provisions of Section  
14 1203.4 of the Penal Code.

15     (3) Done any act involving dishonesty, fraud, or deceit with the  
16 intent to substantially benefit himself, herself, or another, or to  
17 substantially injure another.

18     (4) Done any act which if done by a licensee would be grounds  
19 for suspension or revocation of a license.

20     (5) Done any act without a license for which a license is required  
21 under this chapter.

22     (6) Been refused a license under this chapter or had a license  
23 revoked.

24     (7) Been an officer, partner, or manager of any person who has  
25 been refused a license under this chapter or whose license has been  
26 suspended or revoked.

27     The bureau may deny a license, certificate, or registration  
28 pursuant to this section only if the crime or act is substantially  
29 related to the qualifications, functions, or duties of the license,  
30 certificate, or registration for which application has been made.

31     The denial of a license, certificate, or registration shall be in  
32 writing and shall describe the basis for the denial. The denial shall  
33 inform the applicant that if he or she desires a review by the  
34 disciplinary review committee the review shall be requested within  
35 30 days of the issuance of the denial. A review shall be held  
36 pursuant to the provisions of Section 7591.19.

37     (b) Notwithstanding any other provision of this chapter, no  
38 person shall be denied a license, certificate, or registration solely  
39 on the basis that he or she has been convicted of a felony, if he or  
40 she has obtained a certificate of rehabilitation pursuant to Chapter



1 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the  
2 Penal Code, or solely on the basis that he or she has been convicted  
3 of a misdemeanor, if he or she has met all applicable requirements  
4 of the criteria of rehabilitation as provided in Section 7591.12.

5 (c) This section shall become operative on January 1, ~~2016~~.  
6 2022.

7 SEC. 5. Section 7593.1 of the Business and Professions Code,  
8 as amended by Section 9 of Chapter 291 of the Statutes of 2012,  
9 is amended to read:

10 7593.1. (a) Each individual applicant and each qualified  
11 manager, partner of a partnership, designated officer of a  
12 corporation, and designated officer and managing member of a  
13 limited liability company shall submit with the application one  
14 personal identification form provided by the chief, upon which  
15 shall appear a photograph taken within one year immediately  
16 preceding the date of the filing of the application together with  
17 two legible sets of fingerprints, one set of which shall be forwarded  
18 to the Federal Bureau of Investigation for purposes of a background  
19 check, and personal description of each such person, respectively.  
20 The identification form shall include residence addresses and  
21 employment history for the previous five years.

22 (b) The bureau may impose a fee not to exceed three dollars  
23 (\$3) for processing classifiable fingerprint cards submitted by  
24 applicants excluding those submitted into an electronic fingerprint  
25 system using electronic fingerprint technology.

26 (c) This section shall remain in effect only until January 1, ~~2016~~,  
27 2022, and as of that date is repealed, unless a later enacted statute,  
28 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
29 that date.

30 SEC. 6. Section 7593.1 of the Business and Professions Code,  
31 as added by Section 10 of Chapter 291 of the Statutes of 2012, is  
32 amended to read:

33 7593.1. (a) Each individual applicant and each qualified  
34 manager, partner of a partnership, and designated officer of a  
35 corporation shall submit with the application, one personal  
36 identification form provided by the chief upon which shall appear  
37 a photograph taken within one year immediately preceding the  
38 date of the filing of the application together with two legible sets  
39 of fingerprints, one set of which shall be forwarded to the Federal  
40 Bureau of Investigation for purposes of a background check, and

1 personal description of each such person, respectively. The  
2 identification form shall include residence addresses and  
3 employment history for the previous five years.

4 (b) The bureau may impose a fee not to exceed three dollars  
5 (\$3) for processing classifiable fingerprint cards submitted by  
6 applicants excluding those submitted into an electronic fingerprint  
7 system using electronic fingerprint technology.

8 (c) This section shall become operative on January 1, ~~2016~~.  
9 2022.

10 SEC. 7. Section 7593.6 of the Business and Professions Code,  
11 as amended by Section 12 of Chapter 291 of the Statutes of 2012,  
12 is amended to read:

13 7593.6. (a) The director may refuse to issue a license to an  
14 applicant pending final disposition of an investigation of criminal  
15 activity or of a disciplinary action previously filed against the  
16 person or applicant or against a qualified manager, partner,  
17 managing member, or officer of the applicant.

18 (b) A new alarm company operator license, qualified manager  
19 certificate, or alarm agent registration shall be subject to payment  
20 of any and all fines assessed pursuant to this section and not  
21 resolved in accordance with the provisions of this section and  
22 payment of all applicable fees.

23 (c) This section shall remain in effect only until January 1, ~~2016~~,  
24 2022, and as of that date is repealed, unless a later enacted statute,  
25 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
26 that date.

27 SEC. 8. Section 7593.6 of the Business and Professions Code,  
28 as added by Section 13 of Chapter 291 of the Statutes of 2012, is  
29 amended to read:

30 7593.6. (a) The director may refuse to issue a license to an  
31 applicant pending final disposition of an investigation of criminal  
32 activity or of a disciplinary action previously filed against the  
33 person or applicant or against a qualified manager, partner, or  
34 officer of the applicant.

35 (b) A new alarm company operator license, qualified manager  
36 certificate, or alarm agent registration shall be subject to payment  
37 of any and all fines assessed pursuant to this section and not  
38 resolved in accordance with the provisions of this section and  
39 payment of all applicable fees.

1 (c) This section shall become operative on January 1, ~~2016~~.  
2 2022.

3 SEC. 9. Section 7593.7 of the Business and Professions Code,  
4 as amended by Section 14 of Chapter 291 of the Statutes of 2012,  
5 is amended to read:

6 7593.7. (a) The chief shall issue a pocket identification card  
7 to the owner, partners, officers, managing members, and qualified  
8 manager. The chief shall determine the form and content of the  
9 card. A photo identification card will be furnished to any owner,  
10 partner, officer, managing member, qualified manager, or branch  
11 office manager upon written request and payment of the fee  
12 prescribed by this chapter.

13 (b) This section shall remain in effect only until January 1, ~~2016~~,  
14 2022, and as of that date is repealed, unless a later enacted statute,  
15 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
16 that date.

17 SEC. 10. Section 7593.7 of the Business and Professions Code,  
18 as added by Section 15 of Chapter 291 of the Statutes of 2012, is  
19 amended to read:

20 7593.7. (a) The chief shall issue a pocket identification card  
21 to the owner, partners, officers, and qualified manager. The chief  
22 shall determine the form and content of the card. A photo  
23 identification card will be furnished to any owner, partner, officer,  
24 qualified manager, or branch office manager upon written request  
25 and payment of the fee prescribed by this chapter.

26 (b) This section shall become operative on January 1, ~~2016~~.  
27 2022.

28 SEC. 11. Section 7594.4 of the Business and Professions Code,  
29 as amended by Section 18 of Chapter 291 of the Statutes of 2012,  
30 is amended to read:

31 7594.4. (a) Except as herein otherwise provided, no individual  
32 shall be in active charge of the business if the individual has ever  
33 had a license revoked for cause or has ever been disqualified from  
34 further employment in the alarm company operator business  
35 pursuant to this chapter, or was a qualified manager, partner,  
36 managing member, or officer of a business whose license has been  
37 revoked.

38 (b) This section shall remain in effect only until January 1, ~~2016~~,  
39 2022, and as of that date is repealed, unless a later enacted statute,

1 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
2 that date.

3 SEC. 12. Section 7594.4 of the Business and Professions Code,  
4 as added by Section 19 of Chapter 291 of the Statutes of 2012, is  
5 amended to read:

6 7594.4. (a) Except as herein otherwise provided, no individual  
7 shall be in active charge of the business if the individual has ever  
8 had a license revoked for cause or has ever been disqualified from  
9 further employment in the alarm company operator business  
10 pursuant to this chapter, or was a qualified manager, partner, or  
11 officer of a business whose license has been revoked.

12 (b) This section shall become operative on January 1, ~~2016~~.  
13 2022.

14 SEC. 13. Section 7599.32 of the Business and Professions  
15 Code, as amended by Section 20 of Chapter 291 of the Statutes of  
16 2012, is amended to read:

17 7599.32. (a) A licensee shall notify the bureau within 30 days  
18 of any change of its officers or members required to be named  
19 pursuant to Section 7593.4 or 7593.5 and of any addition of a new  
20 partner.

21 (b) Applications, on forms prescribed by the director, shall be  
22 submitted by all new officers, managing members, and partners.  
23 The director may suspend or revoke a license issued under this  
24 chapter if the director determines that the new officer, managing  
25 member, or partner has committed any act which constitutes  
26 grounds for the denial of a license pursuant to Section 7591.10.

27 (c) A notice of warning may be issued for the first violation of  
28 this section and a fine of twenty-five dollars (\$25) for each  
29 subsequent violation.

30 (d) This section shall remain in effect only until January 1, ~~2016~~,  
31 2022, and as of that date is repealed, unless a later enacted statute,  
32 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
33 that date.

34 SEC. 14. Section 7599.32 of the Business and Professions  
35 Code, as added by Section 21 of Chapter 291 of the Statutes of  
36 2012, is amended to read:

37 7599.32. (a) A licensee shall notify the bureau within 30 days  
38 of any change of its officers required to be named pursuant to  
39 Section 7593.4 and of any addition of a new partner.

1 (b) Applications, on forms prescribed by the director, shall be  
2 submitted by all new officers and partners. The director may  
3 suspend or revoke a license issued under this chapter if the director  
4 determines that the new officer or partner has committed any act  
5 which constitutes grounds for the denial of a license pursuant to  
6 Section 7591.10.

7 (c) A notice of warning may be issued for the first violation of  
8 this section and a fine of twenty-five dollars (\$25) for each  
9 subsequent violation.

10 (d) This section shall become operative on January 1, ~~2016~~.  
11 2022.

12 SEC. 15. Section 7599.34 of the Business and Professions  
13 Code, as amended by Section 22 of Chapter 291 of the Statutes of  
14 2012, is amended to read:

15 7599.34. (a) No licensee shall conduct a business as an  
16 individual, partnership, limited liability company, or corporation  
17 unless the licensee holds a valid license issued to that exact same  
18 individual, partnership, limited liability company, or corporation.  
19 A violation of this section may result in a fine of one hundred  
20 dollars (\$100) for each violation.

21 (b) As a condition of the issuance, reinstatement, reactivation,  
22 or continued valid use of a license under this chapter, a limited  
23 liability company shall, in accordance with the provisions of this  
24 section, maintain a policy or policies of insurance against liability  
25 imposed on or against it by law for damages arising out of claims  
26 based upon acts, errors, or omissions arising out of the alarm  
27 company services it provides.

28 (c) The total aggregate limit of liability under the policy or  
29 policies of insurance required under this section shall be as follows:

30 (1) For a limited liability company licensee with five or fewer  
31 persons named as managing members pursuant to Section 7593.5  
32 or 7599.32, the aggregate limit shall not be less than one million  
33 dollars (\$1,000,000).

34 (2) For a limited liability company licensee with more than five  
35 persons named as managing members pursuant to Section 7593.5  
36 or 7599.32, an additional one hundred thousand dollars (\$100,000)  
37 of insurance shall be obtained for each person named as managing  
38 members of the licensee except that the maximum amount of  
39 insurance is not required to exceed five million dollars (\$5,000,000)

1 in any one designated period, less amounts paid in defending,  
2 settling, or discharging claims as set forth under this section.

3 (d) Prior to the issuance, reinstatement, or reactivation of a  
4 limited liability company license as provided under this chapter,  
5 the applicant or licensee shall, in the manner prescribed by the  
6 bureau, submit the information and documentation required by  
7 this section and requested by the bureau, demonstrating compliance  
8 with the financial security requirements specified by this section.

9 (e) For any insurance policy secured by a licensee in satisfaction  
10 of this section, a Certificate of Liability Insurance, signed by an  
11 authorized agent or employee of the insurer, shall be submitted  
12 electronically or otherwise to the bureau. The insurer issuing the  
13 certificate shall report to the bureau the following information for  
14 any policy required under this section: name, license number,  
15 policy number, dates that coverage is scheduled to commence and  
16 lapse, the date and amount of any payment of claims, and  
17 cancellation date if applicable.

18 (f) If a licensee fails to maintain sufficient insurance as required  
19 by this section, the license is subject to suspension.

20 (g) Where the license of a limited liability company is suspended  
21 pursuant to subdivision (f), each member of the limited liability  
22 company shall be personally liable up to one million dollars  
23 (\$1,000,000) each for damages resulting to third parties in  
24 connection with the company's performance, during the period of  
25 suspension, of any act or contract where a license is required by  
26 this chapter.

27 (h) This section shall remain in effect only until January 1, ~~2016~~,  
28 2022, and as of that date is repealed, unless a later enacted statute,  
29 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
30 that date.

31 SEC. 16. Section 7599.34 of the Business and Professions  
32 Code, as added by Section 23 of Chapter 291 of the Statutes of  
33 2012, is amended to read:

34 7599.34. (a) No licensee shall conduct a business as an  
35 individual, partnership, or corporation unless the licensee holds a  
36 valid license issued to that exact same individual, partnership, or  
37 corporation. A violation of this section may result in a fine of one  
38 hundred dollars (\$100) for each violation.

39 (b) This section shall become operative on January 1, ~~2016~~.  
40 2022.

1 SEC. 17. Section 7599.42 of the Business and Professions  
2 Code, as amended by Section 24 of Chapter 291 of the Statutes of  
3 2012, is amended to read:

4 7599.42. (a) Within seven days after any violent incident  
5 involving a dangerous weapon that has been caused by or occurred  
6 upon a licensee or any officer, partner, managing member, qualified  
7 manager, or employee of a licensee, while acting within the course  
8 and scope of his or her employment, and that results in bodily  
9 injury to any person or death of any person involved in that incident  
10 or of any discharge of a weapon, excluding any discharge which  
11 occurs on the range, the licensee or his or her manager shall mail  
12 or deliver to the chief a detailed report of the incident. The report  
13 shall describe fully the circumstances surrounding the incident,  
14 any injuries or damages incurred, the identity of all participants,  
15 and whether a police investigation was conducted. A violation of  
16 this section may result in a fine of twenty-five dollars (\$25) for  
17 the first violation and one hundred dollars (\$100) for each  
18 subsequent violation.

19 (b) This section shall remain in effect only until January 1, ~~2016~~,  
20 2022, and as of that date is repealed, unless a later enacted statute,  
21 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
22 that date.

23 SEC. 18. Section 7599.42 of the Business and Professions  
24 Code, as added by Section 25 of Chapter 291 of the Statutes of  
25 2012, is amended to read:

26 7599.42. (a) Within seven days after any violent incident  
27 involving a dangerous weapon, that has been caused by or occurred  
28 upon a licensee or any officer, partner, qualified manager, or  
29 employee of a licensee, while acting within the course and scope  
30 of his or her employment, and that results in bodily injury to any  
31 person or death of any person involved in that incident or of any  
32 discharge of a weapon, excluding any discharge which occurs on  
33 the range, the licensee or his or her manager shall mail or deliver  
34 to the chief a detailed report of the incident. The report shall  
35 describe fully the circumstances surrounding the incident, any  
36 injuries or damages incurred, the identity of all participants, and  
37 whether a police investigation was conducted. A violation of this  
38 section may result in a fine of twenty-five dollars (\$25) for the  
39 first violation and one hundred dollars (\$100) for each subsequent  
40 violation.

(b) This section shall become operative on January 1, ~~2016~~  
2022.

SEC. 19. Section 7599.43 of the Business and Professions Code, as amended by Section 26 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.43. (a) Within seven days after receiving a final civil court judgment filed against the licensee or any officer, partner, managing member, qualified manager, or employee of a licensee for an amount of more than five hundred dollars (\$500) pertaining to any act done within the course and scope of his or her employment that may be in violation of this chapter, the licensee or his or her manager shall mail or deliver to the chief a copy of the judgment. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall remain in effect only until January 1, ~~2016~~  
2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2016~~, 2022, deletes or extends that date.

SEC. 20. Section 7599.43 of the Business and Professions Code, as added by Section 27 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.43. (a) Within seven days after receiving a final civil court judgment filed against the licensee or any officer, partner, qualified manager, or employee of a licensee for an amount of more than five hundred dollars (\$500) pertaining to any act done within the course and scope of his or her employment that may be in violation of this chapter, the licensee or his or her manager shall mail or deliver to the chief a copy of the judgment. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall become operative on January 1, ~~2016~~  
2022.

SEC. 21. Section 7599.48 of the Business and Professions Code, as amended by Section 28 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.48. (a) No licensee, or officer, partner, managing member, manager, or employee of a licensee, shall knowingly make any false report to his or her employer or client for whom



1 information is being obtained. A violation of this section may  
2 result in a fine of one hundred dollars (\$100) for the first violation,  
3 and five hundred dollars (\$500) for each subsequent violation.

4 (b) This section shall remain in effect only until January 1, ~~2016~~,  
5 2022, and as of that date is repealed, unless a later enacted statute,  
6 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
7 that date.

8 SEC. 22. Section 7599.48 of the Business and Professions  
9 Code, as added by Section 29 of Chapter 291 of the Statutes of  
10 2012, is amended to read:

11 7599.48. (a) No licensee, or officer, partner, manager, or  
12 employee of a licensee, shall knowingly make any false report to  
13 his or her employer or client for whom information is being  
14 obtained. A violation of this section may result in a fine of one  
15 hundred dollars (\$100) for the first violation, and five hundred  
16 dollars (\$500) for each subsequent violation.

17 (b) This section shall become operative on January 1, ~~2016~~.  
18 2022.

19 SEC. 23. Section 7599.61 of the Business and Professions  
20 Code, as amended by Section 30 of Chapter 291 of the Statutes of  
21 2012, is amended to read:

22 7599.61. (a) The director may suspend or revoke an alarm  
23 company operator license, a qualified manager certificate, an alarm  
24 agent registration, or a firearms permit, issued under this chapter,  
25 if the director determines that the licensee or his or her manager,  
26 if an individual, or if the licensee is a person other than an  
27 individual, or his or her employees, that any of its officers, partners,  
28 managing members, employees, or its manager, has:

29 (1) Made any false statement or given any false information in  
30 connection with an application for a license or a renewal or  
31 reinstatement of a license.

32 (2) Violated any provisions or committed any prohibited acts  
33 of this chapter.

34 (3) Been convicted of any felony or misdemeanor including  
35 illegally using, carrying, or possessing a dangerous weapon.

36 (4) Committed or permitted any employee to commit any act,  
37 while the license was expired, which would be cause for the  
38 suspension or revocation of a license, or grounds for the denial of  
39 an application for a license.

1 (5) Committed assault, battery, or kidnapping, or used force or  
2 violence on any person, without proper justification.

3 (6) Violated, or advised, encouraged, or assisted the violation  
4 of any court order or injunction in the course of business as a  
5 licensee.

6 (7) Been convicted of a violation of Section 148 of the Penal  
7 Code.

8 (8) Committed any act which is a ground for denial of an  
9 application for license under this chapter.

10 (9) Committed any act prohibited by Chapter 1.5 (commencing  
11 with Section 630) of Title 15 of Part 1 of the Penal Code.

12 (10) Committed any act in the course of the licensee's business  
13 constituting dishonesty or fraud.

14 (b) This section shall remain in effect only until January 1, ~~2016~~,  
15 2022, and as of that date is repealed, unless a later enacted statute,  
16 that is enacted before January 1, ~~2016~~, 2022, deletes or extends  
17 that date.

18 SEC. 24. Section 7599.61 of the Business and Professions  
19 Code, as added by Section 31 of Chapter 291 of the Statutes of  
20 2012, is amended to read:

21 7599.61. (a) The director may suspend or revoke an alarm  
22 company operator license, a qualified manager certificate, an alarm  
23 agent registration, or a firearms permit, issued under this chapter,  
24 if the director determines that the licensee or his or her manager,  
25 if an individual, or if the licensee is a person other than an  
26 individual, or his or her employees, that any of its officers, partners,  
27 employees, or its manager, has:

28 (1) Made any false statement or given any false information in  
29 connection with an application for a license or a renewal or  
30 reinstatement of a license.

31 (2) Violated any provisions or committed any prohibited acts  
32 of this chapter.

33 (3) Been convicted of any felony or misdemeanor including  
34 illegally using, carrying, or possessing a dangerous weapon.

35 (4) Committed or permitted any employee to commit any act,  
36 while the license was expired, which would be cause for the  
37 suspension or revocation of a license, or grounds for the denial of  
38 an application for a license.

39 (5) Committed assault, battery, or kidnapping, or used force or  
40 violence on any person, without proper justification.

1 (6) Violated, or advised, encouraged, or assisted the violation  
2 of any court order or injunction in the course of business as a  
3 licensee.

4 (7) Been convicted of a violation of Section 148 of the Penal  
5 Code.

6 (8) Committed any act which is a ground for denial of an  
7 application for license under this chapter.

8 (9) Committed any act prohibited by Chapter 1.5 (commencing  
9 with Section 630) of Title 15 of Part 1 of the Penal Code.

10 (10) Committed any act in the course of the licensee's business  
11 constituting dishonesty or fraud.

12 (b) This section shall become operative on January 1, ~~2016~~.  
13 2022.

14 SEC. 25. No reimbursement is required by this act pursuant to  
15 Section 6 of Article XIII B of the California Constitution because  
16 the only costs that may be incurred by a local agency or school  
17 district will be incurred because this act creates a new crime or  
18 infraction, eliminates a crime or infraction, or changes the penalty  
19 for a crime or infraction, within the meaning of Section 17556 of  
20 the Government Code, or changes the definition of a crime within  
21 the meaning of Section 6 of Article XIII B of the California  
22 Constitution.